

**South Dakota Commission on Gaming Administrative Hearings and
Quarterly Business Meeting
Deadwood City Hall, Deadwood, South Dakota**

MINUTES
June 12, 2013

At 9:25 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Karen Crew, Commissioner Harry Christianson, Commissioner Dennis Duncan, and Commissioner Tim Holland were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement, and Mark Aspass, Commission Architect.

The meeting was called to order at 9:25 a.m. by Commissioner Kemnitz.

ADMINISTRATIVE HEARINGS

The court reporter for the hearing was Jean Carlson. The following cases were scheduled to be heard:

- Tentexkota, LLC – Declaratory Ruling
- SDCOG vs. High Noon Investments, LLC
- SDCOG vs Kevin Abeln

Tentexkota, LLC

Tentexkota, LLC, represented by Roger Tellinghuisen, attorney, requested a declaratory ruling for an additional building "Assay Office" for gaming purposes at the Deadwood Mountain Grand Casino.

Commissioner Christianson made a motion to approve as a separate building for gaming purposes. Commissioner Crew seconded the motion which was carried unanimously.

SDCOG vs High Noon Investments, LLC

A complaint was filed alleging that High Noon Investments, LLC failed to maintain the minimum bankroll immediate exposure requirements, did not remit the full amount of its tax liability for November 2012, and did not remit any of its tax liability for December 2012. Craig Sparrow, Director of Operations, stated that the taxes plus interest had been paid in full and that staff recommended that the licenses be revoked and no fine be levied.

Mike Shaw, Commission attorney, was advised by John Archer, attorney for High Noon Investments, that he would not be attending the meeting and that the company had ceased operation on December 31, 2012 and has no intent of operating business in Deadwood.

Commissioner Christianson made a motion to revoke all licenses. Commissioner Holland seconded the motion which was carried unanimously.

SDCOG vs Kevin Abeln

Mr. Abeln was not present for the hearing. A complaint was filed alleging that on April 29, 2013 licensee pled guilty to aggravated assault which is a Class 3 Felony. Staff recommended that his support license be revoked.

Commissioner Christianson made a motion to revoke his support license without a fine imposed. Commissioner Duncan seconded the motion which carried unanimously.

Upon conclusion of the hearings Commissioner Kemnitz called a brief recess at 10:12 a.m.

General Meeting

Commissioner Kemnitz called the general meeting to order at 10:22 a.m.

Approval of Agenda

No changes were noted to the agenda.

No conflicts of interest were noted on the agenda.

March 13, 2013 Meeting

Commissioner Crew made a motion to adopt the minutes drafted for the March 13, 2013 meeting. Commissioner Duncan seconded the motion which was carried unanimously.

Stipulation of Assurance and Voluntary Compliance

Super 8 Hotel and Casino

A monetary penalty of \$2,000 was imposed for a complaint that was filed on March 4, 2013 alleging that licensee allowed a person under 21 years of age to participate in gaming by playing a slot machine on the Defendant's premises on February 13, 2013.

Commissioner Christianson made a motion to accept the stipulation of assurance and voluntary compliance and monetary penalties imposed. Commissioner Holland seconded the motion which carried unanimously.

Report on Association of Racing Commissioners International Convention

Report on 2013 Horse Racing Season

Report on Commission Staff Deadwood Activities

The reports on the above were for information purposes only and no action was taken on these matters.

Professional Service Contracts -FY 2014

Gaming Laboratories International

Commissioner Christianson made a motion to approve the contract with Gaming Laboratories International as presented. Commissioner Duncan seconded the motion which carried unanimously.

Architecture, Inc.

Commissioner Christianson made a motion to approve the contract with Architecture Incorporated as presented. Commissioner Duncan seconded the motion which carried unanimously

Legal Services

Larry Eliason, Executive Secretary, was informed by the director of Division of Administrative Services that because there will not be an increase in the hourly rate in the State's "Master Agreement" with the May, Adam law firm we can continue to use the firm during the FY 2014 without taking any formal action at the June meeting.

Simulcast Applications

Bettor Racing, Inc.

Commissioner Holland made a motion to approve the simulcast provider license and the temporary site license for Bettor Racing, Inc. Commissioner Crew seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key License Approvals Recommendations

Director of Operations/Enforcement Sparrow recommended approval of the following Key Licenses:

- ✓ Richard Hickstein
- ✓ Nancy Nelin

Business License Approval

- ✓ Approval of Deadwood Development for two retail licenses assigned to McKenna's Gold (0587-RT) and The Chase (0586-RT) effective July 1, 2013.
- ✓ Approval of Francis Ricci as Director on the NG South Dakota, LLC's Operator, Route Operator and Retail Licenses (0226-OP, 0034-RO, 0521, 0521, 0522, and 0532-RT's).

Ratification of Licensing Actions by the Executive Secretary per 42-7B-11 (16))

- ✓ Approval of Black Diamond Capital, LLC, for an operator license and 7 retail licenses to be assigned to Gold Dust retail locations (0588, 0589, 0590, 0591, 0592, 0593, and 0594-RT's).

Business License Renewals 2013-2014

Director Sparrow recommended the approval of all Operators, Route Operators, Retails, Distributors, and Manufacturers listed on pages 67-69 of the meeting packet with the addition of Matt Ramsey Operator license.

Commissioner Christianson made a motion to approve the Key licenses, business license renewals, and business license approvals and assignments as recommended by staff and outlined on pages 61-69 of the Commission packet. Commissioner Duncan seconded the motion which carried unanimously.

Amendment to Bettor Racing, Inc. Operating Plan

The decision on this matter was deferred to Executive Session.

Election of Officers for FY 2014

Commissioner Christianson made a motion to retain the current officers for the FY 2014. Commissioner Holland seconded the motion which carried unanimously.

Schedule of Next Meeting

The next commission meeting has been scheduled for September 11, 2013.

Executive Session

Commissioner Christianson made a motion to go into Executive Session pursuant to SDCL 42-7B-8.1 (3) and (5) and 1-25-2 (1) and (3), and decision on Bettor Racing, Inc. Operating Plan at 10:55 a.m. Commissioner Crew seconded the motion which carried unanimously.

After coming out of Executive Session at 11:16 a.m. the Commission took the following action.

Decision Bettor Racing, Inc. Operating Plan

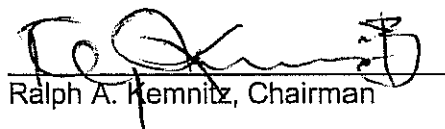
Commissioner Christianson made a motion to approve the amended operating plan for Bettor Racing, Inc. Commissioner Duncan seconded the motion which carried unanimously.

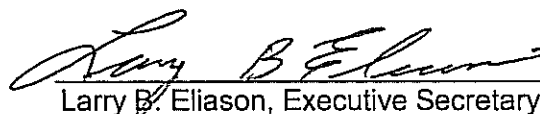
No further business to be discussed.

Meeting was adjourned at 11:18 a.m.

Respectfully Submitted,

Kathy Fredericksen


Ralph A. Kemnitz, Chairman


Larry B. Eliason, Executive Secretary